

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1931 – SB 2085

February 5, 2018

SUMMARY OF BILL: Authorizes the Department of Children's Services (DCS) to reimburse a relative caregiver at the full foster care rate who has custody of a child at-risk for entering state custody.

Requires relative caregiver to meet age and income requirements and agree to participate in any programs offered by the DCS to reduce the risk of the child entering state custody.

Requires payment to be subject to the initial and continuing eligibility of the relative caregiver and the child pursuant to this section and rules promulgated by the DCS. Authorizes the DCS to establish additional requirements for payment.

Requires the DCS to publish a report on the payments provided pursuant to this legislation no later than January 1 of each year.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$28,515,300/FY18-19
\$57,030,600/FY19-20 and Subsequent Years**

**Increase Federal Expenditures – \$986,400/FY18-19
\$1,972,900/FY19-20 and Subsequent Years**

Assumptions:

- Of the 62,000 children in the custody of a relative caregiver, it is estimated that 10 percent or 6,200 children (62,000 x 10.0%) would meet the provisions in the proposed legislation.
- The average cost per day per child in foster care is \$24.12.
- The recurring increase in expenditures associated with providing foster care payments for children not in state custody is estimated to be \$54,583,560 (6,200 children x 365 days x \$24.12).
- The recurring increase in expenditures of \$54,583,560 will be in state funding, as federal funding cannot be used for children who are not in state custody.

- Passage of this legislation would authorize the DCS to establish additional requirements to determine initial and continuing eligibility of payments to relative caregivers, including a home visit and interview with the relative caregiver.
- In order to effectuate the provisions of this legislation and to confirm eligibility of relative caregivers on an on-going basis, the DCS will require 52 additional case managers, 11 team leaders, and 3 team coordinators to account for the increase in children and families to be monitored as a result of this proposed legislation.
- The recurring increase in expenditures associated with the additional positions is estimated to be \$4,419,929 (\$2,531,200 salaries + \$898,729 benefits + \$990,000 other costs).
- The recurring increase in expenditures of \$4,419,929 will consist of \$2,447,045 in state and \$1,972,884 in federal funding, as follows:
 - \$1,767,972 in DCS state funds (\$4,419,929 x 40.0%).
 - \$679,073 in TennCare state funds [(\$4,419,929 x 45.0%) x 34.142%].
 - \$1,309,895 in TennCare federal funds [(\$4,419,929 x 45.0%) x 65.858%].
 - \$662,989 in Title IV-E federal funds (\$4,419,929 x 15.0%).
- Due to the effective date of this legislation of January 1, 2019, the total increase in state expenditures is estimated to be \$28,515,303 [(\$54,583,600 + \$2,447,045) x 50.0%] in FY18-19 and \$57,030,605 (\$54,583,600 + \$2,447,045) in FY19-20 and subsequent years.
- The total increase in federal expenditures is estimated to be \$986,442 (\$1,972,884 x 50.0%) in FY18-19 and \$1,972,884 in FY19-20 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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